

Message Text

UNCLASSIFIED

PAGE 01 BONN 07127 01 OF 02 282219Z

73

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 SAJ-01 DODE-00 PA-02

PRS-01 /072 W

----- 045358

R 281622Z APR 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8441

INFO USMISSION USBERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

UNCLAS SECTION 01 OF 02 BONN 07127

E.O. 11652: N/A

TAGS: ECRP, EINV, EALR, GW

SUBJ: GERMAN INVESTMENT IN THE U.S. AND U.S.

INVESTMENT IN GERMANY IN 1975

1. DATA ON GERMAN INVESTMENT IN FOREIGN COUNTRIES
RELEASED BY THE GERMAN ECONOMICS MINISTRY REVEAL
THAT IN 1975 THE US AGAIN WAS THE COUNTRY PREFERRED
BY GERMAN INVESTORS. GERMAN NET DIRECT INVESTMENT
IN THE US AMOUNTED IN 1975 TO DM 748 MILLION,
COMPARED WITH DM 874 MILLION IN 1974. OTHER MAJOR
RECIPIENTS OF GERMAN INVESTMENT IN 1975 WERE:
GREAT BRITAIN (DM 616 MIL.), BELGIUM-LUXEMBOURG
(DM 537 MIL.), BRAZIL (DM 450 MIL.), FRANCE
(DM 432 MIL.) AND SWITZERLAND (DM 410 MIL.). AT
THE END OF 1975 GERMAN CUMULATIVE NET DIRECT
INVESTMENT IN THE US AMOUNTED TO DM 4,228 MILLION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07127 01 OF 02 282219Z

BY THIS MEASURE, THE US RANKED A CLOSE THIRD AFTER

FRANCE (DM 4,308 MIL.) AND SWITZERLAND (DM 4,264 MIL.).

2. THE BREAKDOWN OF GERMAN CUMULATIVE NET DIRECT INVESTMENT IN THE US BY ECONOMIC SECTOR AS OF DECEMBER 31, 1975, WAS AS FOLLOWS: HOLDING COMPANIES, DM 964 MIL.; CHEMICAL INDUSTRY, DM 962 MILLION; ELECTRICAL EQUIPMENT, DM 435 MILLION; MACHINERY, DM 349 MILLION; ROAD VEHICLES, DM 190 MILLION; IRON AND STEEL, DM 136 MILLION; INSURANCE, DM 126 MILLION; REAL ESTATE AND HOUSING, DM 121 MILLION; BANKING, DM 112 MILLION; PAPER AND CARDBOARD, DM 103 MILLION.

3. DURING THE FIRST HALF OF 1975, US NET DIRECT INVESTMENT IN GERMANY WAS VERY SLUGGISH AND AMOUNTED ONLY TO DM 55 MILLION. IN THE SECOND HALF, HOWEVER, US INVESTMENT PICKED UP MARKEDLY AND REACHED DM 568 MILLION. AS A RESULT, US INVESTMENT IN GERMANY FOR THE FULLYEAR 1975 AMOUNTED TO DM 623 MILLION. ALTHOUGH THIS WAS SUBSTANTIALLY LOWER THAN THE 1974 TOTAL OF DM 1,258 MILLION, THE US STILL RANKED AHEAD OF ALL OTHER COUNTRIES. HOWEVER, FOR THE FIRST TIME SINCE 1945, US INVESTMENT IN GERMANY WAS LOWER THAN GERMAN INVESTMENT IN THE US. OTHER COUNTRIES INVESTING MAJOR SUMS IN GERMANY DURING 1975 WERE: SWITZERLAND (DM 516 MILLION), FRANCE (DM 213 MILLION) AND GREAT BRITAIN (DM 195 MILLION). US CUMULATIVE NET DIRECT INVESTMENT IN GERMANY AS OF DECEMBER 31, 1975, WAS DM 17,135 MILLION, BY FAR LARGER THAN THAT OF ANY OTHER SINGLE COUNTRY. ON THE CUMULATIVE BASIS, OTHER RANKING COUNTRIES WERE: SWITZERLAND (DM 6,652 MILLION), THE NETHERLANDS (DM 5,276 MILLION) AND GREAT BRITAIN (DM 4,260 MILLION).

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BONN 07127 02 OF 02 282217Z

73

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 SAJ-01 DODE-00 PA-02

PRS-01 /072 W

----- 045335

R 281622Z APR 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8442

INFO USMISSION USBERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

UNCLAS SECTION 02 OF 02 BONN 07127

4. GERMAN INVESTMENT IN ALL COUNTRIES OF THE WORLD DURING 1975, AT DM 5,227 MILLION, WAS SUBSTANTIALLY HIGHER THAN INVESTMENT BY FOREIGN COUNTRIES IN GERMANY, WHICH TOTALED DM 2,528 MILLION. AN OFFICIAL FRG PRESS RELEASE ATTRIBUTES THE SLOWDOWN OF FOREIGN INVESTMENT IN GERMANY TO THE SLUGGISH ECONOMIES IN FOREIGN COUNTRIES, HIGH PRODUCTION COSTS IN GERMANY AND THE CHANGES IN CURRENCY PARITIES. ON THE OTHER HAND, THE SAME FACTORS HAVE INDUCED GERMAN INDUSTRY TO INVEST INCREASINGLY ABROAD. THE FOLLOWING ADDITIONAL CONSIDERATIONS WERE CITED AS BEING RESPONSIBLE FOR INCREASED GERMAN INVESTMENTS ABROAD: BETTER ACCESS TO RAW MATERIALS, REDUCTION IN DEPENDENCY ON EXPORTS BY PRODUCING IN FOREIGN MARKETS, AND ADAPTATION TO THE REQUIREMENTS OF THE DIVISION OF LABOR IN THE WORLD MARKET. THE SAMEFRG SPOKESMAN WELCOMED THIS DEVELOPMENT UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07127 02 OF 02 282217Z

INASMUCHAS IT CONTRIBUTES TO A BETTER EQUILIBRIUM IN THE BALANCE OF PAYMENTS.

5. AS OF 12/31/75, GERMAN CUMULATIVE NET DIRECT INVESTMENT IN ALL COUNTRIES OF THE WORLD WAS DM 41,992 MILLION AND CUMULATIVE NET DIRECT INVESTMENT BY ALL FOREIGN COUNTRIES IN GERMANY WAS DM 42,454 MILLION.
HILLENBRAND

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, INVESTMENT DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 28 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BONN07127
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760161-1006
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760415/aaaaalyu.tel
Line Count: 167
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 02 SEP 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 SEP 2004 by cookms>; APPROVED <20 DEC 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GERMAN INVESTMENT IN THE U.S. AND U.S. INVESTMENT IN GERMANY IN 1975
TAGS: ECRP, EINV, EALR, GE, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006